



# **OVERVIEW**

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This Report comprises three Chapters: the first Chapter contains the financial profile of the State, planning and conduct of audit and follow-up on Audit Reports. Second Chapter of this Report deals with the findings of five Performance Audit reviews and two Long Paragraphs and third Chapter deals with Compliance Audit in the various Departments. The Audit findings included in the Performance Audits, Long Paragraphs and Compliance Audit paragraphs in this Report have total money value of ₹ 2533.34 crore.

The audit has been conducted in accordance with the Auditing Standards prescribed for the Indian Audit and Accounts Department. Audit samples have been drawn based on statistical sampling as well as risk based judgmental sampling. The specific audit methodology adopted has been mentioned in each Performance Audit. The audit conclusions have been drawn and recommendations have been made taking into consideration the views of the Government. A summary of main audit findings is presented in this overview.

### 1. Performance Audit of programmes/activities/Departments

#### (i) Working of the Bihar State Pollution Control Board

The Bihar State Pollution Control Board (BSPCB) is the main agency for enforcement of environmental laws and responsible for formulation of policy for prevention, control or abatement of pollution. Since inception, BSPCB, like other State Boards has been performing its functions under the Water (Prevention and Control of Pollution) Act, 1974. The BSPCB did not conduct any survey to identify the polluting industries and also did not maintain any such inventory for planning purposes. Further, the BSPCB failed to assess the requirement of Sewage Treatment Plants in the State. The Health Care Establishments (1299 out of identified 2538) and veterinary institutions under the jurisdiction of the Animal and Fisheries Resources Department were being operated without authorisations from the BSPCB in violation of the Bio-medical Waste (Management and Handling) Rules, 1998. The Central Laboratory, Patna was functioning without its accreditation under the Environment (Protection) Act, 1986, *ISO 17025/9001 Certification* and without required equipment/instruments to analyse hazardous wastes. Large number of vacancies had also been affecting the functioning of the BSPCB.

*(Paragraph 2.1)*

#### (ii) Implementation of Rajiv Gandhi Scheme for Empowerment of Adolescent Girls (RGSEAG)-SABLA

Rajiv Gandhi Scheme for Empowerment of Adolescent Girl (RGSEAG) – SABLA, a centrally sponsored scheme, was launched by the Government of India (GoI) in November 2010 to improve the nutritional and health status of girls in the age group of 11-18 years. The State Government launched this scheme in 12 out of 38 districts in the State in March 2011. Audit observed that the data of Adolescent Girls (Ad Gs) were not reliable and in contravention of the scheme guidelines, over-aged girls of more than 18 years and school going girls of 11 to 14 years were allowed to take the benefits of the scheme. The Utilisation Certificates of Central assistance were either not

submitted or submitted with delay resulting into non-receipt of Central assistance amounting to ₹ 173.75 crore during the audit period. Under nutrition support component of the scheme, identified Ad Gs could not get the envisaged 300 days take home ration in the test checked districts and under non-nutrition component, they did not get the services of the scheme like health check-up and referral services, nutritional and health education, life skill education and assessing public services, counselling guidance on family welfare, vocational training etc.

*(Paragraph 2.2)*

**(iii) Working of the Directorates of Archaeology and Museum**

The Directorate of Archaeology had the onus of discovering, preserving and developing the antiquarian remains including monuments and potential sites while the Directorate of Museum was responsible for functioning of Government museums. Audit observed that the Directorate of Archaeology did not have any laid down policy or guidelines for selection of sites for excavation and there was no priority list or long term perspective plan for completion of project within a given period. The Directorate did not conduct survey of unprotected sites and monuments. Further, the Directorate of Museum did not have a comprehensive policy for the management of antiquities. The conservation and documentation of antiquities and digitisation/publication of collected manuscript/books in the museums were not according to the standards prescribed in the International Council of Museums, Code of Ethics. Tibbati manuscript brought by Rahul Sanskrityayan in Patna Museum could not be translated/published. The Directorate of Museum did not have a database or inventory of antiquities in its possession. The Directorates of Archaeology and Museum were facing acute shortage of manpower and trained staff. No training was imparted to any of the staff during the period 2009-14 by the Directorates.

*(Paragraph 2.3)*

**(iv) Implementation of Total Sanitation Campaign/Nirmal Bharat Abhiyan in Bihar**

The objective of the TSC/NBA is to accelerate sanitation coverage in rural areas, schools not covered under Sarva Shiksha Abhiyan and anganwadi centres in the rural areas. Audit observed that Bihar State Water and Sanitation Mission (BSWSM) could not set-up Water and Sanitation Support Organisation (WSSO) in the State. District Water and Sanitation Mission, Block Resource Centres and Village Water and Sanitation Committees were not constituted. There were 55 *per cent* and 81 *per cent* vacancies against the sanctioned strength at the State and District level respectively. The preliminary survey was not conducted by the BSWSM during 2010-14. The Annual Implementation Plan was prepared without consolidating plans of grass root level viz. Block and Gram Panchayat plan in the test checked districts. The percentage of achievement for construction of Individual House Hold Latrine (IHHL) ranged between 14 and 71 *per cent* during 2010-14 in the State. The test checked Districts irregularly made payment of ₹ 245.34 crore on construction of IHHL by converting incentive based programme to scheme based in violation of the TSC/NBA guidelines. The coverage of

Education and Communication component and monitoring and evaluation of the scheme was inadequate.

*(Paragraph 2.4)*

#### **(v) Construction and Maintenance of State Highways in Bihar**

State Highways (SHs) are the arterial routes of a State linking district headquarters' and important cities within the State and connecting them with National Highways (NH) or Highways of the neighbouring States. Audit observed that the Department had not yet notified the norms for declaration of roads as SHs. In two out of 12 tests checked SHs, Bihar State Road Development Corporation (BSRDC) could not complete the works of the SHs though adequate and timely funds were provided by the Government for construction. These works were delayed for over two years due to non-acquisition of land, non-shifting of utilities etc. which was the responsibility of the Department. The Detailed Project Report of SH-68, SH-69 and SH-78 were not prepared on the basis of actual site conditions resulting in cost escalation of the project. The delay in handing over of completed SHs to RCD by the BSRDC resulted in non-inclusion of these SHs under output and performance based road assets maintenance contract (OPRMC). As a result the maintenance of SHs could not be carried out in a planned manner.

*(Paragraph 2.5)*

## **2. Long Paragraphs**

#### **(i) Long Paragraph on 'Crime and Criminal Tracking Network and Systems -CCTNS'**

The Crime and Criminals Tracking Network and Systems (CCTNS) project aims at creating a comprehensive and integrated system for enhancing the efficiency and effectiveness of policing at all levels especially at the Police Station level through adoption of principles of e-Governance and creation of a nationwide networked infrastructure for evolution of IT-enabled state-of-the-art tracking system. Audit observed that the CCTNS project could not get launching pad in the State due to delay in creation of infrastructure and the objective of the project to share crime and criminal's database across the country at the State and Central level on real-time basis was not achieved. Core Application Software was not customised and Digitization of legacy data was not done. Instead of comprehensive training to all, only basic training was provided to limited number of police personnel and network connectivity envisioned from police station to National Crime Record Bureau level is yet to be materialised.

*(Paragraph 2.6)*

#### **(ii) Long Paragraph on Patna Municipal Corporation-Solid Waste Management and Approval of Building Plans**

The statutory function of the Patna Municipal Corporation (PMC), Patna is to provide civic amenities under its jurisdictional area. In this audit we analysed the two core functions of the PMC viz. Solid Waste Management (SWM) and approval of Building Plan for the period 2009-14. The PMC did not maintain key records as required under the Bihar Municipal Act 2007 and Bihar

Municipal Accounts Rules, 1928 and furnished replies to 74 audit memos only of 209 issued. Audit observed that the PMC had not evolved sound financial management as several cases of irregular payment of fuel bills and higher charges were detected in audit. The PMC did not have an adequate solid waste management system as house-to-house collection, segregation and recycling of wastes were not being done. Processing plant was not setup and garbage was being dumped on unauthorised landfills. Building Bye-laws were not followed while approving the plans which were approved with inadmissible Floor Area Ratio. Plans of multi-storied buildings were approved without considering width of public street. Development permit fee and Mutation fee were not realised while approving the building plans which caused loss of revenue to the PMC.

*(Paragraph 2.7)*

### **3. Compliance Audit Findings**

Audit observed significant deficiencies in critical areas, which impact the effectiveness of the State Government. Some important findings arising out of Compliance Audit (14 paragraphs) are featured in the Report. The major observations relate to non-compliance with rules and regulations, audit against propriety and cases of expenditure without adequate justification and failure of oversight/governance. Some of them are mentioned below:

- Imprudent allotment of work by the DPO, Begusarai at much higher rate to the agencies resulted in an excess expenditure of ₹ 1.31 crore *vis- a'- vis* loss to the Government to that extent.

*(Paragraph 3.1)*

- Fraudulent payment of ₹ 53.94 lakh was made to an agency for outsourced services rendered against the non-existing Sub-divisional Hospital due to lack of proper scrutiny, assessment and circumspection on part of the Civil Surgeon-cum-Chief Medical Officer, Kishanganj.

*(Paragraph 3.2)*

- Irregular purchase of medicines in violation of State Health Society's prescribed procedures resulted in an excess payment of ₹ 1.41 crore.

*(Paragraph 3.3)*

- The Government suffered loss of ₹ 88.28 lakh due to non-observance of prescribed rules and instructions regarding purchase of medicines coupled with irregular purchase of banned medicines.

*(Paragraph 3.4)*

- The failure of District Programme Officer to initiate action for refund of the amount released under Sarva Shiksha Abhiyan from the Head Master resulted in defalcation of ₹ 20.11 lakh.

*(Paragraph 3.5)*

- The benefit of Central Excise Duty exemption on pipes supplied for Water Supply Project could not be availed of due to non-insertion of specific clause by the PHED regarding refund of Central Excise Duty in the contract in certain cases or non-pursuation of the same in other cases, resulting in loss of ₹ 12.58 crore to the Government.

*(Paragraph 3.6)*

- Injudicious procurement of cast iron pipes by the Bihar Rajya Jal Parshad for execution of water supply works without ensuring availability of land for the work resulted in idle expenditure of ₹ 3.03 crore.

**(Paragraph 3.7)**

- The failure of the Divisional Officer (EE) in complying with the process, procedures and verification of amount reportedly remitted into the treasury facilitated misappropriation of Government money of ₹ 8.37 lakh.

**(Paragraph 3.8)**

- Non-adherence to the Bihar Minor Mineral Concession Rules and Special Conditions of Contract led to short deduction of royalty to the tune of ₹ 12.28 crore and loss to the Government to that extent.

**(Paragraph 3.9)**

- Injudicious adoption of incorrect formula for calculation of bills pertaining to royalty of earth by the Department against the provisions of Standard Bidding Document and without the sanction of the Finance Department led to an excess payment of ₹ 3.57 crore and undue financial advantage to contractors.

**(Paragraph 3.10)**

- Two anti-erosion works on which an expenditure of ₹ 91.35 lakh was incurred failed to protect the river banks from floods which resulted in wasteful expenditure to that extent.

**(Paragraph 3.11)**

- The Department invoked the risk and cost clause but failed to recover the differential amount needed for completing the balance work which resulted in creation of additional burden of ₹ 2.18 crore on the State exchequer.

**(Paragraph 3.12)**

- The imprudent decision of the Department to purchase plants and equipment without ensuring their utilisation led to unfruitful expenditure on idle plants amounting to ₹ 1.34 crore.

**(Paragraph 3.13)**

- The Infrastructure Development Authority, Patna failed to invoke risk and cost clause which resulted in imposition of additional burden of ₹ 2.22 crore on the State exchequer.

**(Paragraph 3.14)**